

1 ROB BONTA  
Attorney General of California  
2 DANETTE E. VALDEZ, SBN 141780  
ANNADEL A. ALMENDRAS, SBN 192064  
3 Supervising Deputy Attorneys General  
State Bar No. 192064  
4 455 Golden Gate Avenue, Suite 11000  
San Francisco, CA 94102-7004  
5 Telephone: (415) 510-3367  
Fax: (415) 703-5480  
6 Danette.Valdez@doj.ca.gov  
Annadel.Almendras@doj.ca.gov  
7  
8 PAUL J. PASCUZZI, SBN 148810  
NICHOLAS L. KOHLMAYER, SBN 299087  
FELDERSTEIN FITZGERALD  
9 WILLOUGHBY PASCUZZI & RIOS LLP  
500 Capitol Mall, Suite 2250  
10 Sacramento, CA 95814  
Telephone: (916) 329-7400  
11 Fax: (916) 329-7435  
[ppascuzzi@ffwplaw.com](mailto:ppascuzzi@ffwplaw.com)  
12 [nkohlmeier@ffwplaw.com](mailto:nkohlmeier@ffwplaw.com)  
13 Attorneys for California Department of Water  
Resources, by and through the State Water Project  
14

15 IN THE UNITED STATES BANKRUPTCY COURT  
16 FOR THE NORTHERN DISTRICT OF CALIFORNIA

17 **In re:**  
18 **PG&E CORPORATION**  
19 And  
20 **PACIFIC GAS AND ELECTRIC**  
21 **COMPANY,**  
Debtor.

- 22 ☐ Affects PG&E Corporation  
23 ☐ Affects Pacific Gas and  
24 Electric Company  
25 x Affects both Debtors  
26

Bankruptcy Case  
No. 19-30088(DM)

Chapter 11

(Lead Case)  
(Joint Administered)

**CALIFORNIA DEPARTMENT OF WATER  
RESOURCES' REPLY TO THE  
REORGANIZED DEBTORS'  
PRELIMINARY OPPOSITION TO  
MOTION FOR ORDER DETERMINING  
THAT THE CASTLE ROCK AGREEMENT  
WITH PG&E CANNOT BE ASSUMED AND  
THAT THE DEPARTMENT OF WATER  
RESOURCES' CLAIM NO 78104 BE PAID**

Date: March 2, 2022  
Time: 10:00 a.m.  
Place: Courtroom 17  
Judge: Dennis Montali

1 The Department of Water Resources, by and through the State Water Project (“DWR”),  
2 hereby submits its Reply in support of its Motion for Order Determining that the Castle Rock  
3 Agreement (“Agreement”) with PG&E Cannot Be Assumed and that DWR’s Claim No. 78104 Be  
4 Paid (“Motion”).

## 5 INTRODUCTION

6 The “Preliminary Opposition” filed by PG&E Corporation and Pacific Gas & Electric  
7 Company, the Reorganized Debtors (collectively, “PG&E”), is woefully inadequate because it fails  
8 to address: (1) the specific provisions in the Plan and Confirmation Order cited in DWR’s Motion  
9 providing that this Court “shall” resolve executory contract, Cure Disputes, and related claims  
10 issues, and (2) the merits of the dispute arising out of DWR’s proof of claim.<sup>1</sup> These core issues  
11 are essential to the Court’s resolution of the Motion. PG&E compounds these deficiencies by  
12 misdirecting the analytical framework that the Court should apply in deciding these issues.

13 Contrary to PG&E’s assertions, the gating issue is whether DWR terminated its participation  
14 in the Agreement because it determines whether the Agreement was an executory contract that  
15 could be assumed. Because the termination issue is intertwined with the executory contract and  
16 Cure Dispute issues, the Court must resolve them pursuant to the Plan and Confirmation Order.  
17 The Court need only consider the express language in sections 14.3, 14.4. and 14.5 of the  
18 Agreement to adjudicate this issue, including whether DWR is obligated to pay any future removal  
19 costs to terminate. Specifically, DWR properly terminated the Agreement under section 14.3 and  
20 it is not obligated to pay for future removal costs because PG&E and the Remaining Cotenants did  
21 not invoke section 14.5 (the only section referring to an obligation to pay removal costs) and decide  
22 to cease operating the Line and remove it. In fact, their conduct suggests they intend to continue  
23 operating the Line, and they continue to bill DWR for annual operating and maintenance costs (See  
24 Motion, Decl. of Ghassan AlQaser, ¶¶6-7; 13-4.)

25 ///

26 <sup>1</sup> DWR objects to PG&E’s willful failure to brief the merits of the dispute in their opposition  
27 to DWR’s Motion without first obtaining court authority, and to its request to allow further briefing  
28 after a status conference. DWR contends that PG&E has waived its right to further briefing. See *Ramirez v. Ghilotti Bros. Inc.*, 941 F.Supp.2d 1197 n. 8 (N.D. Cal. 2013) (failure to respond to argument on merits viewed as grounds for concession of the argument).

1 The fact that Northern California Power Agency (“NCPA”) and the City of Santa Clara, doing  
2 business as Silicon Valley Power (“SVP”) (collectively, “Remaining Cotenants”), are also parties  
3 to the Agreement does not alter the analytical framework simply because they are non-Debtors. On  
4 the contrary, NCPA and SVP were some of the many interested parties who were actively involved  
5 in the negotiation of the language in the Plan and Confirmation Order. (See Dkt. 7231 and 7853).  
6 The City of Santa Clara is also currently relying on the same Plan and Confirmation Order  
7 provisions regarding how the Court should decide executory contract and Cure Dispute issues  
8 (paragraphs 32 through 35, 67 and 78 of the Confirmation Order) to resolve their own dispute with  
9 PG&E arising out of a separate, unrelated agreement they have with PG&E. (See Dkt. 10998  
10 [Motion to Compel Assumption or Rejection of Executory Contract Concerning the Grizzly  
11 Development and Mokelumne Settlement Agreement at 18-19].)

12 The issues raised in DWR’s Motion are properly before the Court for resolution, as intended  
13 and required by the Plan and Confirmation Order. Therefore, the Court should grant DWR’s  
14 Motion.

15 **I. THE BANKRUPTCY COURT MUST DECIDE IF THE CASTLE ROCK**  
16 **AGREEMENT WAS TERMINATED, INCLUDING WHETHER DWR MUST**  
17 **PAY REMOVAL COSTS TO TERMINATE ITS PARTICIPATION IN THE**  
18 **AGREEMENT.**

19 The Court (rather than an arbitrator) must determine both the termination and removal costs  
20 issues that are at the center of the dispute between PG&E and DWR. By way of example, if the  
21 Court decides in DWR’s favor that it effectively terminated its participation in the Agreement,  
22 removal costs would not be an issue, and what then remains is resolving any dispute over DWR’s  
23 proof of claim for overpayment to PG&E. The Court can efficiently decide these issues by applying  
24 basic contract interpretation principles to the Agreement without the need for arbitration. The  
25 claims resolution process is a core issue, and prompt payment as the Plan promised should remain  
26 with the Bankruptcy Court rather than be sent to arbitration. If, on the other hand, the Court decides  
27 that the Agreement was not effectively terminated, then what remains is a Cure Dispute over  
28 DWR’s proof of claim and PG&E’s argument about removal costs. In this situation, the Court must  
still decide the issues because the Plan and Confirmation Order specifically provide that the

1 Bankruptcy Court “shall” resolve Cure Disputes. (See Confirmation Order ¶¶34 and 67(d); Motion  
2 at 7:12-19.)

3 A bankruptcy court's legal conclusions are reviewed de novo, and its findings of fact for clear  
4 error. See *Allen v. US Bank, NA (In re Allen)*, 472 B.R. 559, 564 (9th Cir. BAP 2012) (“An order  
5 overruling a claim objection can raise legal issues (such as the proper construction of statutes and  
6 rules) which we review de novo, as well as factual issues (such as whether the facts establish  
7 compliance with particular statutes or rules), which we review for clear error.”)

8 **A. PG&E Agrees that Whether DWR Is Obligated to Pay Removal Costs Must**  
9 **Be Decided as Part of the Determination Whether the Agreement Was**  
10 **Terminated and Thus Whether It Was an Executory Contract that Could**  
**Be Assumed or Rejected.**

11 PG&E’s position is that “the Cotenancy Agreement requires that CDWR pay the remaining  
12 parties its proportionate share of estimated costs, including those of operation, maintenance, and  
13 removal, **prior to terminating its participation in the agreement.**” (PG&E Motion at 7:21-23  
14 [emphasis added]; see also PG&E Motion at 17:16-19 (“PG&E’s argument [is] that **CDWR cannot**  
15 **terminate its participation in the Cotenancy Agreement without first complying with its**  
16 **obligation under the Cotenancy Agreement to pay a pro rata share of estimated removal costs**  
17 **to PG&E and remaining Cotenants.**” [emphasis added].) Thus, PG&E agrees with DWR that the  
18 issue of whether DWR is obligated to pay the removal costs must be decided as part of the  
19 determination of whether the Agreement was terminated prior to confirmation of the Plan, and thus  
20 could not have been assumed. Interestingly, PG&E fails to cite to any terms in the Agreement to  
21 support their position. Because no terms in the Agreement support PG&E’s position, PG&E instead  
22 relies on “course of conduct,” “guiding principles,” and “principles of equity” in an attempt to add  
23 language that simply does not exist in the Agreement and to offer a strained reading of the  
24 Agreement that is unsupported by its plain language. (See PG&E Motion at 7: 20-8:1-2; 12:16-  
25 17.)<sup>2</sup>

26 ///

27 <sup>2</sup> Courts are not called upon to improve agreements between parties that they themselves  
28 have been satisfied to enter into, or to rewrite contracts because they may operate harshly or  
inequitably. *Addiego v. Hill*, 48 Cal. Rptr. 240, 243, 238 Cal. App. 2d 842 (Cal. Ct. App. 1965).

1           **B. Bankruptcy Code Provisions Regarding Assumption of Executory**  
2           **Contracts Must Be Strictly Followed.**

3           Strict adherence to the Code provisions governing assumption of contracts “might appear  
4           overly simplistic, [but] it is important in that it allows a debtor in possession the flexibility intended  
5           by the Bankruptcy Code in deciding whether or not to assume or reject contracts or leases.” *Century*  
6           *Indem. Co. v. NGC Settlement Trust (In re National Gypsum Co.)*, 208 F.3d 498, 512 (5th Cir.  
7           2000).

8           Courts have long held that assumption and rejection of executory contracts is important  
9           enough that the formal process of filing a motion with proper notice cannot be given short shrift.  
10          See *In re Tleel*, 876 F.2d 769, 771 (9th Cir. 1989) (“Section 365 and Bankruptcy Rules 6006(a) and  
11          9014 require the debtor to file a formal motion to assume [an executory contract], providing  
12          reasonable notice and an opportunity for a hearing.”); *Sea Harvest Corp. v. Riviera Land Co.*, 868  
13          F.2d 1077, 1079 (9th Cir. 1989) (“[Bankruptcy Rules 6006(a) and 9014] plainly specify that a  
14          debtor in possession must file a formal motion and provide reasonable notice and an opportunity  
15          for a hearing to the opposing party.”); *Glimidakis v. Any Mt., Ltd.*, 2006 Bankr. LEXIS 4803, 19  
16          (9th Cir. BAP 2006) (“Section 365 and Rules 6006 and 9014 require that a formal motion to assume  
17          or reject an executory contract or lease be filed with the court and served on the party to the lease,  
18          with an opportunity for the opposing party to respond.”); see also, *Univ. Med. Ctr. v. Sullivan (In*  
19          *re Univ. Med. Ctr.)*, 973 F.2d 1065, 1076-79 (3d Cir. 1992) (noting the importance of the need for  
20          formal court approval to effect an assumption of an executory contract in accord with the terms of  
21          section 365) and *In re Dura Auto. Sys., LLC*, 628 B.R. 750, 754-57 (Bankr. Del. 2021) (no implied  
22          assumption of executory contracts).

23          If the Court agrees with DWR that its termination was effective on August 1, 2019, then the  
24          Agreement terminated based on its own terms and there was no executory contract that could be  
25          assumed at the time of confirmation.

26          An arbitrator should not decide core executory contract bankruptcy issues like the issues  
27          presented here, namely, whether the Castle Rock Agreement is an executory contract that was  
28          assumed because it was not terminated prior to confirmation or is not an executory contract because

1 it was terminated prior to confirmation. If the contract was not terminated, then this Court must  
2 decide the Cure Dispute over DWR's claim as provided in the Confirmation Order and Plan.

3 **II. PG&E IGNORES SPECIFIC CONFIRMATION ORDER AND PLAN**  
4 **LANGUAGE PROVIDING THAT THE BANKRUPTCY COURT SHALL**  
5 **RESOLVE EXECUTORY CONTRACT DISPUTES.**

6 PG&E vaguely admits that the dispute with DWR involves "some estate issues," but their  
7 Opposition fails to address the specific Plan and Confirmation Order provisions cited in DWR's  
8 Motion providing that the Bankruptcy Court shall resolve the issues pertaining to executory  
9 contract, Cure Disputes, and allowance of Claims. (See DWR Motion at 6:16-26; 7:7-22; 16:8-15.)  
10 These provisions are binding on PG&E, NCPA and SVP, and they supersede the arbitration  
11 provisions in the Agreement.

12 In *Ernst & Young LLP v. Baker O'Neal Holdings, Inc.*, 304 F.3d 753, 755 (7th Cir. 2002),  
13 the debtor plaintiffs filed an adversary proceeding against the accounting firm, Ernst & Young,  
14 asserting various claims. After plan confirmation, Ernst & Young moved to dismiss or stay the  
15 proceeding pending arbitration pursuant to arbitration rights contained in the retainer agreement it  
16 had with the debtors. (*Id.*) However, under the terms of the plan and confirmation order, the  
17 bankruptcy court retained jurisdiction "for the adjudication of any pending adversary proceeding,  
18 or other controversy, or dispute." (*Id.*) The Court held that the arbitration rights were superseded  
19 by the terms of the confirmed plan. (*Id.* at 756.)

20 In *Sirius Computer Solutions, Inc. v. AASI Creditor Liquidating Trust*, 2011 U.S. Dist. LEXIS  
21 96460 (S.D. Fla. 2011), the plaintiff AASI Creditor Liquidating Trust initiated an adversary  
22 proceeding against several defendants, including Sirius Computer Solutions, Inc., asserting causes  
23 of action related to a disastrous computer system installation that ultimately caused the financial  
24 collapse of AASI and its affiliates and necessitated their Chapter 11 bankruptcy filing. 2011 U.S.  
25 Dist. LEXIS 96460 \*1. The operative plan provided that the bankruptcy court would retain  
26 exclusive jurisdiction over all matters, including to "determine all controversies and disputes  
27 arising under or in connection with the Plan . . . and to hear and determine . . . adversary  
28 proceedings. . . commenced after the Effective Date." (*Id.*) Sirius did not object to confirmation of  
the plan or the specific jurisdiction and venue provisions therein, but moved to dismiss the

1 adversary action based on certain venue and arbitration provisions in Sirius's pre-confirmation  
2 contract with the Debtors. (*Id.* at \*6.) The bankruptcy court denied the motion, finding that the plan  
3 was a binding contract upon Sirius and therefore its venue and exclusive jurisdiction provisions  
4 superseded the arbitration provision in Sirius's pre-confirmation contract with the Debtors. (*Id.*)

5 Similar to PG&E, Sirius argued that the plan could not supersede its pre-confirmation  
6 arbitration rights, relying on the "liberal federal policy favoring arbitration agreements." 2011 U.S.  
7 Dist. LEXIS 96460 \*11. The court stated:

8 **This argument overlooks the underlying rationale behind the Federal Arbitration**  
9 **Act, which is that arbitration agreements should be enforced just like any other**  
10 **contract. The Federal Arbitration Act was enacted "to reverse the longstanding**  
11 **judicial hostility to arbitration agreements. . . and to place arbitration agreements**  
12 **upon the same footing as other contracts."**

13 (*Id.*, \*11-12 [emphasis added].) The court held that, "recognizing a confirmed plan as a new and  
14 binding contract does not violate the 'liberal federal policy favoring arbitration agreements,' but  
15 instead accords with the underlying premise of that policy, which is the enforcement of contracts."  
16 (*Id.*, \*12)

17 Therefore, even assuming the arbitration provisions in the Agreement applied to the dispute  
18 between PG&E and DWR (and DWR argues that they do not), the provisions have been superseded  
19 by the clear and unequivocal language in the Plan and Confirmation Order.

### 20 **III. THE CONFIRMED PLAN AND CONFIRMATION ORDER ARE BINDING ON** 21 **THE DEBTORS AND ALL CREDITORS, INCLUDING NCPA AND SVP.**

22 Confirmation of a chapter 11 plan binds the debtor, creditors, and equity security holders. 11  
23 U.S.C. § 1141(a) ("the provisions of a confirmed plan bind"); *Trulis v. Barton*, 107 F.3d 685, 691  
24 (9th Cir. 1995).) Moreover, the confirmation order has res judicata effect on issues that were raised  
25 in conjunction with plan confirmation or could have been raised at that time. *Prudence Realization*  
26 *Corp. v. Ferris*, 323 U.S. 650, 654-55 (1944); *Katchen v. Landy*, 382 U.S. 323, 334 (1966). PG&E  
27 is bound by the provisions in the Plan and Confirmation Order language specifying that the  
28 executory contract and Cure Disputes "shall" be decided by the Bankruptcy Court. PG&E fails to  
address the specific provisions of the Plan and Confirmation Order relied upon in DWR's Motion.



1 Because of the binding effect of the Plan and Confirmation Order, the California State  
2 Agencies, including DWR, joined other entities in filing objections to the proposed language in the  
3 Plan and Confirmation Order (See Dkt. 7868), and worked with PG&E to reach acceptable  
4 language that provides that executory contract and Cure Disputes “shall” be decided by the  
5 Bankruptcy Court. Now PG&E wants to renege on the language and modify the Confirmation  
6 Order and Plan language to force DWR into arbitration without its consent. The Court should reject  
7 this effort.

8 The other cotenants, NCPA and SVP, are also bound by the provisions of the Plan and  
9 Confirmation Order. They filed objections to Plan confirmation, including to provisions relating to  
10 executory contracts. (Dkt. 7231 at 8-9). As noted above, in another matter before the Court, NCPA  
11 and SVP are relying on the same provisions in the Plan and Confirmation order to compel PG&E  
12 to accept or reject an executory contract. Thus, NCPA and SVP implicitly agreed that the Court  
13 “shall” decide the executory contract issues raised in DWR’s Motion.

14 **IV. IN ANY EVENT, THE ARBITRATION CLAUSE IN THE AGREEMENT DOES**  
15 **NOT APPLY OR WAS WAIVED.**

16 PG&E and the Remaining Cotenants are bound by the Plan and Confirmation Order under  
17 11 U.S.C. §1141(a). Yet they insist that DWR is subject to arbitration. They cite to the arbitration  
18 provisions in the Agreement and the presumption in favor of arbitration in non-bankruptcy cases.  
19 (Opposition at 11, 14.) However, the arbitration provisions in the Agreement have been superseded  
20 by provisions in the Plan and Confirmation Order that provide that the Bankruptcy Court “shall”  
21 decide executory contract and Cure Dispute issues. (See Section II above.) The arbitration  
22 provisions have also been waived by PG&E’s conduct that is inconsistent with their assertion that  
23 arbitration is a required means of dispute resolution. (See Motion, pp. 23-24.)

24 PG&E’s contention that the question of arbitrability should be decided by the arbitrator is  
25 incorrect. The question whether the parties have submitted a particular dispute to arbitration, i.e.,  
26 the question of arbitrability, is an issue for judicial determination unless the parties clearly and  
27 unmistakably provide otherwise. In evaluating whether the parties so intended to provide, courts  
28 apply ordinary state-law contract principles. *Wynn Resorts v. Atlantic-Pacific Capital, Inc.*, 497



1 Fed. Appx. 740, 741 (9th Cir. 2012). On this issue, the terms of the Plan and Confirmation Order  
2 prevail again because they superseded the arbitration provisions in the Agreement.

3 PG&E tries to minimize its July 30, 2019 filing at FERC, claiming that it lasted less than two  
4 months and DWR was not prejudiced from the proceedings. (Opposition at 14:3-6.) However, the  
5 importance of the FERC filing is that it evidences PG&E's actions that are inconsistent with an  
6 understanding that arbitration was a required means of dispute resolution. There can be no doubt  
7 that PG&E sought a resolution on the merits from FERC. PG&E's filing described the relief  
8 requested as follows:

9 PG&E interprets the Agreement to require CDWR, as a Cotenant that desires to depart,  
10 to make a financial contribution to the remaining Cotenants that reflects its proportional  
11 share of the reasonably anticipated removal costs of the New Line. NCPA and CSC  
12 agree with PG&E. . . . CDWR disagrees. *In an effort to resolve the dispute, the Parties  
met on multiple occasions and discussed the terms and obligations associated with  
CDWR's desire to withdraw from the Agreement. No consensus was reached.*

13 *Therefore, PG&E on behalf of itself, NCPA, and CSC, proposes to revise the*  
14 *Agreement to timely acknowledge CDWR's desire to withdraw and their position that*  
*CDWR is obligated to pay its reasonable share of removal costs before it may*  
*withdraw.*

15 (Motion, Decl. of Ghassan AlQaser, ¶8, Ex. 3 [Doc 11889-4] at 3 [emphasis added].)  
16

17 Where an arbitration agreement does not specify a time within which arbitration must be  
18 demanded, a reasonable time is allowed, and what constitutes a reasonable time is a question of  
19 fact, depending upon the situation of the parties, the nature of the transaction, and the facts of the  
20 particular case. [citations omitted.] *Sawday v. Vista Irrigation Dist.*, 64 Cal. 2d 833, 836 (1966).  
21 Among the facts a court may consider is any prejudice the opposing party suffered because of the  
22 delay. [citation omitted.] *Spear v. California State Auto. Assn.*, 2 Cal. 4th 1035, 1043 (1992). Under  
23 the facts in the present dispute, because the Agreement does not specify a time within which to  
24 demand arbitration, a reasonable time is allowed but that time should not be more than the one-year  
25 period between the time DWR gave notice and when the termination became effective to avoid  
26 prejudice to DWR. PG&E initiated the dispute resolution proceedings with the Coordinating  
27 Committee in January 2022 - years after DWR gave its termination notice and years after the  
28 effective date of its termination. DWR's good faith, procedurally correct, termination pursuant to

1 the terms of the Agreement resulted in DWR not being able to receive the benefits of being a party  
2 to the Agreement, including availing itself of the dispute resolution procedures that have so recently  
3 been invoked. DWR could not participate in these post-termination contractual machinations  
4 without waiving its position that DWR's termination had become effective in 2019 and DWR was  
5 therefore no longer a party to the Agreement. DWR has been further prejudiced by the procedural  
6 uncertainty, the endless delays in resolving this dispute, and the lack of finality for DWR on its  
7 termination status. DWR also relied upon the language in the Plan and Confirmation Order that any  
8 executory contract and Cure Dispute "shall" be decided by the Bankruptcy Court.

9 Even assuming the arbitration provisions applied, the issue of whether PG&E waived these  
10 provisions by its conduct is for the Court to decide. The question whether a party waived its right  
11 to arbitrate on the basis of its litigation conduct is a question of arbitrability and is in the first  
12 category of gateway issues. *Martin v. Yasuda*, 829 F.3d 1118, 1124 (9th Cir. 2016).

13 The Court also has discretion to deny enforcement of the arbitration provisions because there  
14 is a conflict with the underlying purposes of the Bankruptcy Code relating to executory contracts,  
15 Cure Disputes and the allowance or disallowance of claims that should be decided by the  
16 Bankruptcy Code. *In re Thorpe Insulation Co.*, 671 F.3d 1011, 1021 (9th Cir. 2012).

### 17 CONCLUSION

18 For the reasons stated above, DWR respectfully requests that the Court apply the clear  
19 language in the Confirmation Order and Plan to decide the executory contract and Cure Disputes  
20 raised in the DWR Motion in its favor and deny PG&E's request that the matter be sent to

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //

1 arbitration. DWR further requests that the Court deny PG&E's request for a status conference and  
2 further briefing on the merits.

3 Dated: February 23, 2022

Respectfully submitted,

4 ROB BONTA  
5 Attorney General of California  
6 DANETTE VALDEZ, SBN 141780  
7 ANNADEL ALMENDRAS, SBN 192064  
8 Supervising Deputy Attorneys General

By: /s/ Paul J. Pascuzzi

9 PAUL J. PASCUZZI  
10 FELDERSTEIN FITZGERALD  
11 WILLOUGHBY PASCUZZI & RIOS LLP  
12 Attorneys for California Department of  
13 Water Resources, by and through the State  
14 Water Project

15  
16  
17 SF2019200301  
18 43085143.docx  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**PROOF OF SERVICE**

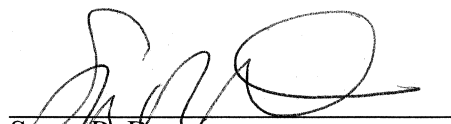
I, Susan R. Darms, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is 500 Capitol Mall, Suite 2250, Sacramento, CA 95814.

On February 23, 2022, I served the within document:

**CALIFORNIA DEPARTMENT OF WATER RESOURCES' REPLY TO THE  
REORGANIZED DEBTORS' PRELIMINARY OPPOSITION TO MOTION  
FOR ORDER DETERMINING THAT THE CASTLE ROCK AGREEMENT  
WITH PG&E CANNOT BE ASSUMED AND THAT THE DEPARTMENT OF  
WATER RESOURCES' CLAIM NO 78104 BE PAID**

By Electronic Service only via CM/ECF.

  
Susan R. Darms